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COMMUNICATIONS
CORPORATION

October 25, 1994

201 N. Union St. Suite 410
Alexandria, VA 22314-2642
Tel (703) 518-1407
Fax (703) 518-5074

John A. Malloy
Vice President and
General Counsel

VIA HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

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OCT 25 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

RE: PP Docket No. 93-253 Ex Parte Presentation

Dear Mr. Caton:

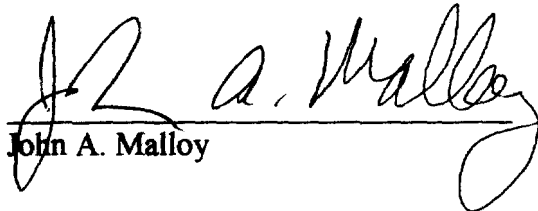
Pursuant to Section 1.1206 (a) (1) of the Commission's Rules, GO Communications Corporation hereby files the attached written ex parte communication. Two copies of this ex parte communication have been submitted to the Secretary.

Please direct any inquiries concerning this matter to the undersigned.

Respectfully submitted,

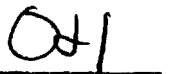
GO COMMUNICATIONS CORPORATION

By:


John A. Malloy

cc: William F. Caton, Acting Secretary, FCC
Rosalind K. Allen
Sara Seidman
Andrew E. Sinwell
Peter A. Tenhula
Kathleen Q. Abernathy, AirTouch Communications

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Alexandra, VA 22314-2642
Tel. (703) 518-1407
Fax (703) 518-5074

John A. Malloy
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Mr. Donald H. Gips
Deputy Chief
Office of Plans and Policies
Federal Communications Commission
1919 M Street, N.W., Room 822
Washington, D.C. 20554

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OCT 25 1994

Re: PP Docket No. 93-253 -- Ex Parte Filing

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Dear Mr. Gips:

GO Communications Corporation ("GO") hereby opposes the written Ex Parte presentation by AirTouch Communications ("ATC") and US West, Inc. ("USW") of October 12, 1994. Not only do ATC and USW fundamentally misconstrue Congressional intent in mandating dissemination of PCS licenses to bona fide designated entities, their proposal would undermine existing policies of the Federal Communications Commission's ("Commission") by providing entrenched communications giants the ability to control designated entities and render them merely as front operations. GO urges the Commission to deny the requests of ATC and USW.

One of Congress' objectives in providing the Commission authority to auction spectrum licenses in the Omnibus Budget Reconciliation Act of 1993 ("Budget Act") was to avoid excessive concentration of licenses among existing industry players by disseminating licenses to a wide variety of applicants including designated entities. 47 U.S.C. § 309(j) (3) (B). Indeed, Congress instructed the Commission to prescribe regulations to ensure designated entities the opportunity to become owners and operators of spectrum-based services, and prevent unjust enrichment and the use of fronts to subvert the Commission's rules. *Id.* at § 309 (j) (4) (C) and (D). Clearly any unjust enrichment by ATC/USW in the entrepreneurial band would violate the Act.

The Commission has implemented its mandate faithfully by creating an enormous opportunity for increased competition from designated entities by establishing entrepreneurial blocks for broadband PCS in its Fifth Report and Order (FCC 94-178).

Mr. Donald H. Gips
Deputy Chief
Office of Plans and Policies
Federal Communications Commission
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The Commission's requirements for de jure and de facto control of the PCS license to reside with the designated entity, and not its passive investors, ensure that the Commission will not be embroiled in years of litigation regarding alleged sham operations.

ATC's and USW's apparent objectives are to own and control the band for designated entities, to the point of having virtually unlimited discretion to change the designated entity at will. Specifically, ATC and USW believe that, as a passive or strategic investor, they should have the ability to make decisions and dominate through passive investor protections. Not only do ATC and USW believe they should have a reasonable vehicle for removing a designated entity in control through call options, Ex Parte at 7, these parties seek complete control through certain capital financing and borrowing schemes, as well as, business plan decisions which, cumulatively, go well beyond the line of acceptable investor protections permitted by the Commission in its transfer of control decision. See, e.g., MCI Communications, FCC 94-188, Slip Op. at 7 (released July 25, 1994), McCaw Cellular Communications, 66 R.R. 2d 667, 674 (1989).

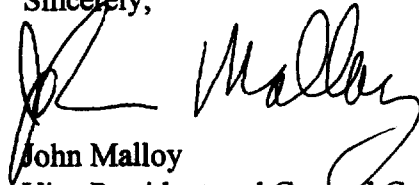
Moreover, adoption of the passive investor protections suggested by ATC and USW offers no incentives for passive investors to maximize the economic value of the license. In fact, permitting passive capital structures, coupled with non-diluted economic rights such as convertible debt, warrants, rights of first refusal and capital call options, encourages passive investors to *minimize* the value of licenses held by designated entities so that they can force the sale of the license at highly depressed values at the end of the anti-trafficking period. This approach would result in warehousing of spectrum during the five-year anti-tracking period and lessening competition to existing wireless services providers, certainly not the intent of Congress in the Budget Act. 47 U.S.C. § 309 (j) (3) (D) -- (4) (B).

Finally, GO was puzzled to learn of ATC and USW's justifications for such intrusive and controlling passive investor protections. While ATC and USW claim that PCS is a new and unproven commodity, with technology not yet developed, USW has filed a volume of pleadings with the Commission attesting to its success with the first operating PCS system in Great Britain. See, e.g., Comments of U.S. West, Inc., Gen. Docket No. 90-314 (filed Nov., 1992).

Mr. Donald H. Gips
Deputy Chief
Office of Plans and Policies
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Indeed, GO would like to note that, in contrast to ATC and USW's comments about the lack of experience and capital from which designated entities suffer, GO has assembled a strong management team and attracted institutional, venture capital and strategic partners -- all under the Commission's current rules. In a similar situation, the Commission foreclosed all RBOC investment and participation in the SMR industry, and that industry has attracted significant capital. Accordingly, a dramatic overhaul of the Commission's competitive bidding rules for broadband PCS, as suggested by ATC/USW, is unwarranted.

Sincerely,

A handwritten signature in black ink, appearing to read "John Malloy", is written over the typed name.

John Malloy
Vice President and General Counsel
GO Communications Corporation